# CLARK COUNTY/CITY OF VANCOUVER HOME CONSORTIUM PROJECT PROPOSAL INSTRUCTIONS

#### I. TITLE AND PROJECT SPONSOR

- The title should be a briefly stated description of the proposed project, for example, Evergreen Street Apartments.
- Enter the name of the agency applying for funds, mailing address, contact person and phone number. The contact person should be the person who prepared the project proposal or who can answer questions regarding the project.
- The person signing the proposal form should be the person who is authorized by the sponsor's governing body to submit the proposal on behalf of the sponsor (e.g. Chief Administrative Officer, Chairperson of Board of Directors, etc.). Submit information documenting approval by the Board of Directors, Commissioners, or Council authorizing submittal of the application (examples of documentation would include copy of minutes or resolution).
- Joint applications are not acceptable; please designate a lead agency to submit the application.
- Eligible applicants include nonprofits housing developers/owners (must have IRS 501 (c)(3) designation), government agencies, and for-profit developers/owners who have experience in housing development preferably affordable housing.

# 2. SUMMARY OF PROBLEM AND SOLUTION

Summarize your housing problem and proposed solution in one to two sentences each.

### 3. ACTIVITY TYPE

Check the appropriate activity box.

#### 4. TARGET POPULATION INCOME LEVEL

Provide the number of units that will be occupied at each income level, and the total units.

#### 5. COST

- Enter total amount of dollars requested, round to the nearest hundred dollars.
- Enter total dollar amount of other resources that will be available to supplement the request.
- Add the above two numbers together to derive the total project cost.
- Please note: the maximum award is \$500,000.

For the following questions, please try to limit your answers to no more than one page per section. Sections are labeled a, b, c, etc.

### 6. PROJECT DESCRIPTION

Provide a succinct, complete description of the project and the population to be served.

A. Describe type of household and/or population to be served in the housing, include information such as number of tenants, size and description of households, known special characteristics of tenants (i.e., age, disabilities, special needs, etc.) and estimate the amount and sources of tenant incomes. Provide a description of the living arrangement, such as individual apartment units or shared housing, on-site management, or any on-site services to be provided.

- B. Describe your efforts to determine if the market supports your project objectives. Provide documentation supporting your findings; i.e. market analysis, feasibility study. Describe existing housing near the proposed project site. Explain how competitive properties, income levels, or other factors such as housing trends or population affect the marketability.
- C. Describe the site, the location, list the address, and indicate the status of site control and zoning. If any offers for acquisition have been made, please provide a narrative to describe the details and attach copies of any option agreements.
  - Provide a detailed description of any planned construction, rehabilitation or other site improvements. Give enough detail to determine if wetland or flood plain issues have been addressed, and if any additional costs may be involved to bring the site into regulatory compliance for federal funding (i.e. hazard/toxic waste considerations, asbestos removal). Indicate whether the site is within 300 feet of a natural body of water. Also, please indicate if a *Phase I Environmental Site Assessment* has been completed. If so, attach a copy.
  - Describe the building(s). Include age, property conditions, number of units, size of units, bedrooms, baths, common areas, and parking. Provide a current building inspection report.
  - Attach a copy of any architectural drawings, site maps, or site plans that are available.
- D. Explain how this project is creative or unique in expanding or preserving affordable housing in our community. Describe any special design features, multiple use features, creative financing, new services, or special features not found in similar projects.
- E. Describe how the project incorporates sustainable building principals. Specifically, address how the proposed project will:
  - Maximize energy conservation and efficiency; use renewable energy resources.
  - Conserve water usage, reduce run-off and treat waste on-site.
  - Maximize space efficiency by reducing/simplifying building footprint.
  - Optimize building orientation; integrate natural daylight and ventilation.
  - Avoid the use of toxic and harmful materials and finishes in facilities and their surrounding environment.
  - Support transportation alternatives such as public transit, walking, and bicycling.
  - Reduce, reuse, and recycle materials in all phases of construction and deconstruction.

(Note that sustainable building information is provided on the Clark County CDBG Program web site at: <a href="http://www.clark.wa.gov/cdbg/links.html">http://www.clark.wa.gov/cdbg/links.html</a>)

6. Maximum score is 30 points - 30% of total

#### 7. PROPOSED PROJECT FUNDING

- Describe how the proposed solution is the most effective.
- Explain why Housing (HOME/2060) funds are critical to this project.
- Explain in detail the source and amount of your match.
- Identify if the match is a loan, grant or from the sale of bonds. (The minimum non-federal match requirement is 25% for all HOME-eligible activities).
- Include a discussion of other funding sources being used in this project.

7. Base score is 20 points for the minimum 25% HOME-eligible match.

HOME-eligible match exceeding 25% will generate additional points as follows:

 Match of 25.1% - 35.9%
 1 point

 Match of 36% - 45.9%
 2 points

 Match of 46% - 55.9%
 3 points

 Match of 56 + %
 5 points

Maximum score is 25 points, 25% of total

#### 8. DESCRIBE LOCAL PLANS AND POLICIES AS THEY RELATE TO THIS APPLICATION

- Outline the relationship of the proposed project to city and county comprehensive growth management plans, and zoning requirements. Identify any major transportation routes and employment centers located in close proximity to the project site.
- Check the Clark County Affordable Housing Objectives identified in the Consolidated Housing and Community Development Plan that this project meets. Support your response with narrative.
- Provide priority need level of proposed activity based on attached Priority Needs Summary Table.
- Is this project associated with a city or county sub-area plan? Please explain.

8. Maximum score is 10 points - 10% of total

#### 9. ANTICIPATED OBJECTIVE, MEASUREABLE OUTCOME(S)

Describe in measurable, objective terms the results you expect to achieve from this project. Your answer should include economic and social results.

9. Maximum score is 10 points - 10% of total

## **10. MANAGEMENT ABILITY**

- Describe how your organization can carry out this project and its ability to manage the project over time.
- Please provide a copy of the Agency's most recent complete Financial Statements and Audit. Complete Financial Statements should include a statement of financial position, statement of activities, cash flow statement, statement of changes in net assets and notes to financial statements, if available.
- Describe the management structure and staffing of your organization.
- Identify other organizations involved in the development of this project.
- List any projects you may have in development, provide project status and completion date.

• Nonprofit organizations must submit a copy of their Charter or Articles of Incorporation and IRS documentation showing qualification as a nonprofit corporation under Section 501(c)(3) of the IRS Code, with the proposal application. Include documentation with application.

10. Maximum score is 10 points - 10% of total

#### II. WORK PLAN AND SCHEDULE

- Provide a detailed work plan showing all activities and sub-activities of the projects (for example, financing, closing, and construction) and a completion date for each activity and sub-activity.
- List past, current, and future tasks necessary for timely completion and ongoing management.

When preparing the work plan and schedule, please consider all other funding source requirements and state and local permitting.

11. Maximum score is 5 points - 5% of total

# 12. COMMITTED AND CONDITIONAL FUNDS NO ASSIGNED POINTS

Fill in all funds expected to be used.

#### 13. ECONOMIC CHARACTERISTICS OF NEIGHBORHOOD

- The site should be located where it will provide housing opportunities for minorities and lower income households outside existing areas of low(er) income concentrations. Census data is used in this measurement because it is generally accepted as being reputable and no other information is available in an aggregated form to measure these characteristics.
- Attached is the definition and assigned points for Economic Characteristics of Neighborhoods.

13. Maximum score is 5 points - 5% of total

#### **14. ASSOCIATED SERVICES**

- Describe in detail the associated social services such as case management, day treatment, or other services that will be provided or coordinated for special populations.
- Please attach any contractual agreements that are currently in place or proposed for the provision of services and the source of funds.
- Describe any licensing requirements associated with the project. Give a timeline for obtaining licenses and/or permits.
- Explain how your program partners with community organizations, and services to assist your clients, tenants, and potential customers.

# 14. Maximum score is 5 points - 5% of total

# 15. ACQUISITION

- Fill in property status; attach a map showing location of project and provide distance to nearest community services.
- Indicate whether the owner of the property has been contacted. If so, include a copy of the URA acquisition notice that was issued. Attach a copy of any option agreements.
- If acquisition or rehabilitation of property occupied by residential or business tenants is anticipated, indicate number of households or businesses to be displaced. The estimate of displacement should be based upon the number of tenant households occupying facility at the time of project application.
- Displacement or relocation is strongly discouraged.
- If displacement and/or relocation occur, the Clark County/City of Vancouver HOME Program may manage the displacement and relocation, charging the project for all costs.
- Where displacement is unavoidable, relocation assistance shall be provided consistent with the Uniform Relocation Act (URA) or Section 104(d) One-for-One Replacement and will add to the cost of the project.
- An MAI independent appraisal and a full inspection must be completed for the property;
- Acquisition or rehabilitation of housing built before 1978 will require a lead hazard evaluation, and
  possible lead hazard reduction. The lead hazard reduction can involve identification and either stabilizing
  deteriorating paint, the control of the hazard, or abatement. Lead-based paint hazard reduction can be
  expensive and time consuming.
- 15. Score can range from a maximum of 0 for no relocation or displacement to a minimum of (-20) points if there is relocation and/or displacement, 0% to -20% of total

## 16. STATUS OF PREVIOUS PROJECTS NO ASSIGNED POINTS

List all Clark County/City of Vancouver HOME Consortium projects receiving funding in the last five years, the proposed, and completed units including dates. Please explain any deviations from schedule and number of units completed.

#### 17. CHDO REQUIRED DOCUMENTATION NO ASSIGNED POINTS

(this applies only to Community Housing Development Organizations)

The CHDO is intended to respond to a specific community need. Therefore, the structure of the board of directors of a CHDO is viewed as the main indicator of community control over the CHDO. The CHDO Board must be composed as follows:

- At least one-third must be representatives of the low-income community;
- No more than one-third may be representatives of the government;
- The balance is unrestricted, and may include people such as human and social service providers, lenders, individuals with access to philanthropic resources, or others willing to contribute their professional expertise.

Provide a list of names and addresses of your CHDO board members and identify and document which members constitute the above elements of the CHDO requirement (CHDO Self-Certification form). Also, please provide a copy of your current by-laws, resolutions, or a written statement of operating procedures approved by the governing body showing that the CHDO provides a formal process for low-income program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects.

Provide a notarized statement by the president or chief financial officer of the organization or a certification from a Certified Public Accountant showing that the CHDO conforms to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems."

Fill out the CHDO Board Member form and submit with the application.

#### CLARK COUNTY/CITY OF VANCOUVER HOUSING PROJECT FINANCIAL CRITERIA

Staff will evaluate the development and operating budget of proposed projects based on the following criteria:

#### A. Revenue

• Vacancy rate should not be less than 5%. Special populations and senior housing may have a vacancy rate of 4%.

## B. Operating Expenses

- Maintenance and repair should be between \$200 250 per unit per year.
- Operating reserve should be based on 6 9 months of costs.
- Project management fees should be between 5 7%.
- Nonprofit agencies can request a property tax exemption after the first year of operation; this should be incorporated into the budget.
- Total operating expenses should be between 40 50% of gross revenue.
- Debt Cover Ratio (Net Operating Income ÷ debt service) should be between 1:1.05 (1.05%) and 1:1.25 (1.25%).
- HOME loan to value ratio should not exceed 85%, if ratio is higher, please explain.
- The Break-Even Percentage (gross income and other income ÷ operating expenses and debt service) generally a maximum of 90%.

## C. Developer Fee

- The developer fee limits listed below are based on an average project in complexity and funding. If the developer fee for your project is higher than outlined, please provide a rationale.
- Please note that the developer fee is defined as a percentage of the total project. The total project cost can not include the developer fee.

#### Developer Fee

Units	Percentage of Project Cost
I -I0	11%
II or more	10%

- D. Ten percent of the award will be retained until project is complete and recipient has submitted the following:
  - documentation showing that assisted units meet applicable building codes or HQS
  - an occupancy permit for the project

- verification that all federal labor standards have been met (if applicable)
- architect certification that a minimum number of completed units meet Section 504 accessibility standards.

#### 18. USE OF FINANCES - ALL FUND SOURCES NO ASSIGNED POINTS

- Use the top half of the **Use of Finances All Funds Sources** form to identify all sources of funding for the project, including the amount, terms and conditions of the funds.
- Use the lower half of the **Use of Finances All Funds Sources** form to identify each cost item and the funding source for the particular cost item.
- Under the Predevelopment Cost and Construction Section, identify the requested cost per unit and square foot cost. Identify project components that add cost to the project, such as compliance with ADA, or investing in energy saving features/ products. Describe the value being added and why the project requires these components. Identify the assumptions made in creating the budget and describe the basis for those assumptions.
- Applicants may now use the CTED Housing Trust Fund Residential Development Budget form.

# 19. HOUSING OPERATING BUDGET NO ASSIGNED POINTS

- Use the Operating Budget to calculate affordability of the units as they relate to the tenants of rental projects. See page 11 of these instructions for project income and rent limits.
- Calculate gross potential income, net rental income, and effective gross income for the project for 20 years. HOME rents (for HOME-assisted units) include all utilities except phone. If the renter pays any utilities, the rent must be reduced by that amount.
- Identify other operating costs and the cash flow for 20 years. Present the assumptions that were used in estimating the operating budget.
- Identify components that have unusually high or low costs and provide the reason for these costs.
- Use the Committed and Conditional Funds form to identify the committed, conditional, and proposed funding for the project. Explain the terms of conditional commitments and when proposed funds will be available.
- List any operating subsidies that the project will receive. Include the source, amount and the length of the subsidy commitment.
- Applicants may now use the CTED Housing Trust Fund Residential Development Budget proforma.

#### 20. ADDITIONAL INFORMATION

Maximum HOME Expenditure				
Studio/Efficiency	\$104,101			
I-bedroom	\$119,331			
2-bedrooms	\$145,107			
3-bedrooms	\$187,718			
4-bedrooms	\$206,057			

- Minimum expenditure is an average of \$1,000 per assisted unit.
- HOME/2060 funds cannot be used for contingency and project administration.

# 21. SCORING OF PROJECTS (Standard for Review)

The Clark Housing Review Board (CHRB) evaluates HOME eligible projects for potential funding. The twelve member board is made up of the County Treasurer, the City of Vancouver Chief Financial Officer and persons in housing-related businesses including banking, architecture, real estate, public administration, home builder, and private citizens. The Review Board is responsible for evaluation and scoring of applications, funding levels and terms, and compliance of projects with program requirements. The Clark County-City of Vancouver CDBG & HOME personnel serve as staff to the CHRB. The final decision of the expenditure of housing funds is vested with the Board of County Commissioners. For a list of current board members contact Community Services at 360-397-2130.

Projects that provide housing for persons and families with the lowest incomes will be given more consideration. In addition, projects that leverage other resources, demonstrate an attempt to obtain other funds, or can show an ability to get underway in the most timely manner will be given additional consideration.

#### 22. CONDITIONS OF COMMITMENT

Agencies whose projects are funded with housing funds are required to sign an agreement enforcing the HOME affordability regulations and policies. The chart is listed below. Included in the agreement will be the loan conditions, which can be up to 50 years. This condition will be secured by a deed of trust and promissory note that will run with the land. Interest rates range from 0-3% amortized up to 50 years.

Applicants may suggest possible loan terms for their projects. The Clark Housing Review Board will offer the final loan terms based on all available information in the application, review by staff, and possibly outside consultants. The philosophy of the CHRB is to recycle or revolve the housing funds.

Homeownership Assistance HOME amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

Rental Housing Activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of housing funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New construction or acquisition of newly constructed rental housing	20

The Clark County/City of Vancouver HOME Consortium reserves the right to withdraw funding of a project prior to the signing of the Agreement or Contract if there are material changes in the financial condition of the applicant or project. Applicant is required to report any changes to the project from the time of admission of the proposal until the execution of the final agreement or contract.

2006 Housing Project Instructions Page 8

# 23. PROPOSAL SUBMITTAL

The Clark County Purchasing Department (1300 Franklin Street, 6th Floor, P.O. Box 5000, Vancouver, WA) must receive only **one (1) original** of the application before 4:30 p.m. December 1, 2005. Do not staple any of the pages or use dividers. For additional information contact the CDBG/HOME Program at (360) 397-2130.

For an alternative format, contact the Clark County ADA Compliance Office. V (360) 397-2025; TTY (360) 397-2445; E-mail ADA@clark.wa.gov

Information contained in these instructions is subject to change without notice.

APPLICATIONS MUST BE RECEIVED BY:

OFFICE OF PURCHASING
1300 FRANKLIN STREET, SIXTH FLOOR
VANCOUVER, WA

NO LATER THAN THURSDAY,
DECEMBER 1, 2005
4:30 P.M.

# Priority Needs Summary Table (Reference Page 3 of Instructions)

PRIO HOUSIN (house	Le	y Need evel dium, Low	Unmet Need	Goals	
		0-30%	Н	2,798	168
	Small Related	31-50%	Н	2,375	142
		51-80%	L	1,329	80
		0-30%	Н	645	39
	Large Related	31-50%	Н	620	37
Renter		51-80%	М	250	15
Kenter	Elderly  All Other	0-30%	Н	958	57
		31-50%	H	770	46
		51-80%	Н	400	24
		0-30%	M	1,905	114
		31-50%	М	1,575	94
	\     Y	51-80%	L	1,186	71
		0-30%	Н	2,945	147
Owner		31-50%	Н	3,436	172
		51-80%	М	6,678	333
Special Need	0-80%	Н	23,567	1,414	
Total Goals					

# CLARK COUNTY HOMEOWNER REHABILITATION

2005

Maximum value of property after rehabilitation with HOME funds as determined by HUD.

I-Family / Condo	2-Family	3-Family	4-Family
\$243,200	273,900	332,800	384,000

2006 Housing Project Instructions Page 10

# 2005 HUD Income Limits for Clark County

Annual Income by Household Size

Percent of			-	Number in	Household			
Median Income	I	2	3	4	5	6	7	8
80% of Median Low Income	\$38,000	43,450	48,900	54,300	58,650	63,000	67,350	71,700
60% of Median	28,500	32,580	36,660	40,740	43,980	47,280	50,520	53,760
<b>50% of Median</b> Very Low Income	23,750	27,150	30,550	33,950	36,650	39,400	42,100	44,800
30% of Median	14,250	16,300	18,350	20,350	22,000	23,650	25,250	26,900

Portland-Vancouver PMSA Median Family Income: \$67,900

Source: U.S. Department of Housing and Urban Development, March 31, 2005

# 2005 HUD HOME Program Rent Limits for Clark County

# **Number of Bedrooms**

Rent (Monthly)	Studio	I	2	3	4	5	6
Fair Market Rent (FMR)	\$52 <del>4</del>	644	795	1,106	1,200	1,380	1,560
High HOME Rent	52 <del>4</del>	644	795	1,106	1,200	1,330	1,439
Low HOME Rent	524	636	763	882	985	1,086	1,188

Source: U.S. Department of Housing and Urban Development, March 31, 2005

HOME Rents: One - four HOME assisted units is the lesser of the Fair Market Rent or High HOME Rent. Five or more HOME assisted units, 20% of the assisted units rent cannot exceed the Low HOME Rent and 80% cannot exceed the lesser of the Fair Market Rent or High HOME Rent. Rents include utilities. Rents must be reduced for tenant paid utilities.

2006 Housing Project Instructions Page 11

# ECONOMIC CHARACTERISTICS OF NEIGHBORHOOD 2000 Census Data from US Department of Housing and Urban Development (Reference for Question #13)

	Location	Census Tract	Percent Low-Mod	Points
	Camas	406.06	12.08%	
	Felida CDP	409.07	15.59%	
	Walnut Grove CDP	411.07	15.88%	
	Lake Shore CDP	409.08	18.25%	
	Hockinson CDP	405.05	19.92%	
	Lake Shore CDP	410.08	21.99%	
	Washougal	405.06	22.71%	
	Camas	413.25	23.08%	
	Venersborg CDP	405.04	23.11%	
	Hockinson CDP	406.03	23.63%	
	Salmon Creek CDP	409.06	24.66%	
	Lewisville CDP	402.03	25.67%	
	Camas	413.24	25.88%	5 Points
	Brush Prairie CDP	407.02	26.44%	
	Barberton CDP	408.05	26.68%	
	Vancouver city	413.19	26.80%	
	Camas	406.05	26.84%	
	Vancouver city	413.10	26.87%	
	Mount Vista CDP	404.04	27.05%	
	Mount Vista CDP	409.05	27.63%	
	Hockinson CDP	404.08	29.26%	
	Vancouver city	413.15	29.29%	
	Amboy/Yacolt	401.02	29.56%	
	Salmon Creek CDP	408.03	30.87%	
	Five Corners CDP	408.06	30.93%	

CDP = Census Designated Place

	Census	Percent	B ' /
Location	Tract	Low-Mod	Points
Vancouver city	413.09	31.24%	
Mill Plain CDP	406.04	31.74%	
Battle Ground	404.06	32.78%	
Vancouver city	413.16	32.87%	
Dollar Corner CDP	404.03	34.28%	
Vancouver city	412.06	34.69%	
La Center	402.01	34.90%	
Washougal	405.08	35.11%	
Five Corners CDP	407.03	35.48%	
Mill Plain	413.21	36.18%	
Battle Ground	404.05	36.87%	
Orchards CDP	407.05	37.19%	
Vancouver city	428.00	37.19%	
Vancouver city	420.00	37.66%	
Vancouver city	413.18	38.15%	.
Vancouver city	410.03	38.19%	
Five Corners CDP	411.04	38.28%	
Ridgefield	403.00	38.54%	
Vancouver city	412.01	39.11%	
La Center	402.02	39.81%	3 Points
Minnehaha CDP	411.05	41.72%	J I Ollics
Salmon Creek CDP	409.04	42.54%	
Camas	414.00	42.81%	
Amboy/Yacolt	401.01	43.23%	
Vancouver city	429.00	43.24%	
Vancouver city	413.14	43.30%	
Vancouver city	431.00	44.02%	
Hazel Dell North	408.04	45.13%	
Vancouver city	412.05	45.25%	
Vancouver city	421.00	45.64%	
Vancouver city	425.00	46.24%	
Minnehaha CDP	410.09	46.38%	
Vancouver city	413.17	46.45%	
Minnehaha CDP	411.10	46.63%	
Vancouver city	413.23	46.93%	
Lake Shore	410.07	47.60%	
Vancouver city	419.00	48.61%	
Vancouver city	413.20	49.00%	
Camas	415.00	49.20%	
Vancouver city	411.08	49.75%	
CDP = Census Designated Place			

Location	Census Tract	Percent Low-Mod	Points
Vancouver city	410.02	52.30%	
Vancouver city	413.22	53.98%	
Battle Ground	404.07	54.39%	
Washougal city	405.07	54.55%	
Vancouver city	430.00	54.84%	
Vancouver city	412.03	55.63%	
Five Corners CDP	413.13	56.68%	
Orchards CDP	407.06	57.47%	
Washougal	405.09	60.08%	
Vancouver city	411.09	63.92%	0 Points
Vancouver city	413.12	63.93%	
Vancouver city	426.00	66.43%	
Vancouver city	423.00	67.00%	
Vancouver city	418.00	67.29%	
Vancouver city	417.00	77.44%	
Vancouver city	410.05	77.96%	
Vancouver city	416.00	78.47%	
Vancouver city	427	83.00%	
Vancouver city	424	88.16%	

CDP = Census Designated Place